

The American Observer

A free, virtuous and enlightened people must know well the great principles and causes on which their happiness depends. — James Monroe

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New Study Made of Medical Care Needs

Public Affairs Committee Examines Systems Advocated to Spread Illness Cost

BRITISH EXPERIENCE CITED

Merits of Various Insurance Schemes Proposed for United States Debated by Nation

The three and a half billion dollars which the people of the United States spend each year on health is almost enough to provide all the medical and dental care they need. Yet at the present time only about half of the people receive proper medical attention, and three-quarters of them do not get adequate dental care. This situation is being discussed more and more by thinking individuals and has just been described by the Public Affairs Committee, of Washington, D. C., a nonpartisan fact-finding organization, in a pamphlet called "Doctors, Dollars, and Disease."

One trouble, this report points out, is that each year we pay at least \$125,000,000 to quack doctors and healers for fake cures and spend another \$360,000,000 a year for patent medicines. Much of this is an outright waste; and, worse than that, it often means that people postpone getting reliable medical attention until their condition is so bad that a real cure is more difficult and more expensive than it would have been if they had gone to a good doctor in the beginning. Many a life has been needlessly lost by depending upon patent medicines or the treatments of persons not qualified to deal with disease. There needs to be a continuing process of educating the public to the dangers of such makeshift medicine and stronger regulation of ready-made drugs and the people who prescribe their use.

High Cost

Another problem is that our medical facilities are badly distributed over the country. More than a thousand, or approximately one-third, of the counties in the United States have no hospitals for general community use. Doctors and dentists tend to concentrate in the cities and shun the rural areas. They are always more numerous in proportion to the general population in states where the average income is high, than they are in the states where incomes are low. In South Carolina there are 1,431 persons for every doctor, while in California the ratio is 484 individuals to each doctor.

The high cost of medical care is another reason why the needs of the country are not met. Ten per cent of the families in the United States spend each year nearly half of the total amount that is spent on health. It is often said that only the rich and the poor get proper attention. The rich because they have enough money to pay the huge bills which pile up for expert treatment, and the poor because they can appeal to charity. In between these two extremes are the great majority of men, women, and children who find that they cannot afford to pay the present high cost of keeping well.

In a few words, all this means that our doctors, our dollars, and our diseases do not come into contact with one another as they should. It means that only three

(Continued on page 8)



—Courtesy French Line
FRANCE IS A LAND OF SMALL TOWNS AND VILLAGES

Poise and Mastery

Do you ever stop, when you are worried or irritated, to turn an analytical eye upon the object of your worry or irritation, to see just what it really means to you? Sometimes such an act of analysis may not bring immediate consolation. The object may really be big and menacing. It may threaten your security or happiness, not for a day, but for a year or a lifetime. In that case the offending circumstance must be further examined. Something must be done or planned, if possible, to lessen the impending danger. Your only satisfaction for the moment may be that which comes when thinking and fretting are transformed into positive action. But it is a reasonably safe assumption that few of our worries or irritations are of such a formidable nature. Unless we are blessed with an unusually calm and unruffled disposition, we are likely to find ourselves upset at frequent intervals by incidents of no permanent significance whatever. We worry about small reverses, the effects of which are certain to wear themselves out in a short time. We are angered by acts which cannot possibly affect our well-being. We spend sleepless nights about possible developments which, if they occurred, would not alter our conditions to any considerable extent. When one is irritated by some happening, let him ask, "How will this thing which disturbs me so much today look to me next week or next month or next year?" In nine times out of ten, he will answer to himself that the event or the incident will probably be forgotten in a week or a year. It is an ephemeral thing—a passing incident.

Some people are forever being deflected from the main course of their thinking and acting by these passing incidents. When some trivial unpleasantness is observed, they react emotionally as if it were the most important thing in the world. And, since they react in this way, it actually becomes the most important thing in the world to them for the time being. Not only do they feel as if the thing mattered permanently, but they may act that way. They are always being thrown off balance by little things. More fortunate are those who possess the rare but precious quality of poise. They do not spend all their time analyzing and evaluating happenings, but they learn to judge quickly the relative bigness of the various facts and incidents of which their environments are composed. They have definite objectives, long-time goals, and they measure the events of each day with these goals in mind. The things that really count, they give heed to. The trivialities, they treat as such. Poise of this kind is the essence of mastery.

French Uneasy Over Government's Future

Blum's Policies Under Attack From Both Right and Left Wing Political Factions

FINANCIAL STATE IS ACUTE

Premier Steers Precarious Course in Effort to Restore Economic Balance to Nation

If you were in France today you would find the people in an anxious state of mind. They are wondering what the immediate future holds in store for them. Their government, like ours, has been making bold experiments. It has been trying to lift the people out of depression. France was one of the last nations to suffer hard times, and she is one of the slowest nations to recover. The government has greatly extended its control over the business life of the nation in the effort to restore prosperity. But the program is running up against many obstacles. Can they be overcome? Can the program be made to work? Will the French people soon enjoy higher standards of living?

Along with these domestic worries is the even bigger fear of what may happen in the international arena. If the loyalists continue to make gains against the rebels in Spain, will Mussolini openly defy the nonintervention pact which is being adhered to by the other powers of Europe? Will he go ahead sending troops and supplies to the battlefield until victory is assured for the rebels? If he does, can France afford to sit idly by and see the fascist forces tighten their grip over the Mediterranean area by sheer strength of force? Even if France should allow Italy a free hand, the Russians certainly will not. They will help the loyalists again if Mussolini continues to bolster up General Franco's cause. This may mean war. How can France keep from being involved, and would it be a good thing to stay out, even if possible? If not, what nations would join her in combating the fascist menace?

France Today

These are some of the questions which weigh heavily upon the mind of the average Frenchman. But before discussing them more deeply, let us get a brief picture of France and her people.

France is a richly productive country. As one travels through the land, he is impressed by the fact that there seems to be hardly a square inch of soil that is not being put to good use. The French could be cut off from all other nations and could still get along fairly well. They have wheat, corn, cattle, rye, grapes for wine, sheep, goats, beets for sugar, coal, iron, and many other minerals. There is a good balance between industry and agriculture in France. Of course there are many things that the French must buy abroad or from their colonies overseas, such as rubber, but still they could take care of themselves better than any other nation in Europe, if shut off to themselves.

The American visitor to France is usually surprised at the great number of small farms, small factories, and small shops in that country. Business, on the whole, is not of the large-scale variety which is so characteristic of American industry. Of course there are a number of large establishments in France, and city life in Paris and certain other industrial centers appears

to be much the same as it is in our country, but for the most part it is a land of small businesses and of small farms.

The average Frenchman is different from many other people. He does not usually have the ambition to make a great fortune, to make his business the largest in the country, or his farm the largest in his district. He is quite content to do things in a small way. Above all, he likes to be independent. He would much rather have his own small plot of land or his own small shop, even if he does not make much money, than to work for someone else. But over a course of years, increasing numbers of Frenchmen have lost a large measure of their highly prized independence and have become workers for others. Today, of course, France has her working class, her factory workers, and day laborers just as every country has. They make up a large proportion of the population. These people work, however, mostly for small employers.

Blum Government

At the present time, the working classes are very strong, politically. They just about control the government. They feel that in the past the government has done too much for the upper economic classes and too little for the common man. So they are now supporting Premier Blum's radical government. The Blum government came into power less than a year ago. At that time, there seemed to be serious danger that fascist groups would seize control of the French government. The country was month by month sinking deeper and deeper into depression. Certain business leaders were becoming utterly disgusted with the delays and inaction of parliamentary government. They desired a strong leader. But since the great majority of French people love their independence and hate the idea of dictatorship, the opponents of fascism got together and formed the Popular Front. This group was made up of a number of liberal and radical parties in the parliament, including the Socialists and Communists. The parties belonging to the Popular Front became so strong that when elections for the Chamber of Deputies (parliament) were held last May, they won an outstanding victory. The fascist movement, led by François de la Rocque, was dealt a severe blow.

Since then the government has been largely under the control of the Socialist party. This does not mean that the country has gone over to socialism, for the majority of French people are not socialistic. They are, however, in a mood for drastic reforms. The Socialist party, while not having a majority of the seats in parliament, is the largest group in that body. So its leader, Leon Blum, is head of the cabinet and, therefore, premier of France. But he depends upon the liberal and communist groups in parliament for support. If, at any time, a majority of the members in the Chamber of Deputies vote against one of the premier's measures, he must resign. So he is in a difficult position.

Strikes

Shortly after Blum became premier, strikes broke out in all parts of the country. A large number of workers did not



FRENCH WORKERS PROTEST
© Acme
Scene during the recent half-day general strike in Paris in which workers protested the shooting of demonstrators during riots in a Paris suburb.

wait for the government to take action on their behalf, but took matters into their own hands. They made effective use of the now familiar sit-down strike. The government, while admitting that this type of strike was illegal, did not forcibly eject the workers from the plants. Instead, it used its influence to bring about a peaceful settlement of the strikes. As a result, there was very little damage done to property, nor was there much violence. The workers, in nearly all cases, were given better working conditions by their employers. Many people in France, particularly business interests, bitterly criticized the government for allowing workers to "sit down" on other people's property. Supporters of Premier Blum, however, are still convinced that his policy prevented what may have developed into a civil war between employers and workers. The working population was getting desperate. Their wages had been considerably reduced and yet prices in France were still very high. Tourists to that country did not linger as long as formerly, for the cost of living was too much for their pocketbooks. So the French working families were in a bad way and they were ready to resort to violence, if necessary, in order to improve their plight.

One reform, however, which grew out of the sit-down strikes was compulsory mediation of industrial disputes. Both employers and workers are now compelled to get together in the effort to adjust their differences before they actually engage in industrial warfare. This rule was not put into effect, though, until after the Blum government had passed a number of laws for the benefit of workers. These provide for the 40-hour week throughout all industry; two weeks' annual vacation with pay for workers; the right of labor to organize and bargain collectively with their employers; the establishment of minimum wages in certain of the larger industries; the forbidding of children under 14, instead of under 13, as before, to work. The Blum régime has also increased the power of the government over the Bank of France, which was formerly completely dominated by wealthy private interests. In addition to these measures, the government has been carrying on a huge public works program to give jobs to the unemployed—a program comparable in size to that being carried on by our government.

Wages and Prices

The Blum measures have temporarily improved the conditions of workers. Many of them are receiving from 30 to 40 per cent higher wages than they did before. But these gains may soon be wiped out. It is true that workers are getting higher wages and shorter hours. But employers, in order to meet these additional burdens, are increasing the prices of their products. So workers and farmers are having to pay more for what they buy.



WILL HE MAKE IT?

—Warren in New York Post

SMILES

A woman was entering a movie, when an attendant stopped her. "Please excuse me, madam," he said, "but you can't take your dog inside."

"How absurd!" protested the woman. "What harm could the pictures do to a tiny dog like that?"

—CHRISTIAN SCIENCE MONITOR

Scientist (to pharmacist): "Give me some of that prepared monacetic acidester of salicylic acid."

Pharmacist: "Do you mean aspirin?"
Scientist: "That's right! I can never think of that name."

—BOY'S LIFE

A cable report says "Venice is flooded," which is a little like hearing that Spaniards have got into their own war.

—SALT LAKE TRIBUNE

Co-Ed: "Why didn't you find out who he was when the professor called the roll?"
Another Co-Ed: "I did try to, but he answered for four different names."

Hotel Clerk: "Inside or outside room, sir?"
Guest: "Inside. I guess it looks like rain."

—ROYAL ARCANUM BULLETIN

Another thing a mere man can't understand is why the world isn't knee-deep in handkerchiefs that women lose.

—St. JOSEPH NEWS-PRESS

"I called to make an appointment with the dentist."

"He's out just now."
"Ah! When do you expect him to be out again?"

"Automobiles are continually adding to the motorist's vocabulary," asserts a college professor. Yes, Doctor, and you ought to listen to a pedestrian talking sometime.

—WASHINGTON POST

A baseball umpire was marooned by a sit-down in a Detroit hotel. It was an opportunity to learn how an ump likes to have a strike called on him.

—BOSTON EVENING TRANSCRIPT

An optimist we guess, is any traffic expert who can take the little old family bus through a down-town traffic jam and still call it a "pleasure car."

—BOSTON HERALD

SOMETHING TO THINK ABOUT

1. How has Great Britain attempted to solve the problem of medical care?

2. In what three ways might the costs of medical care be spread out, so that families could avoid having to pay unbearably high doctor bills during times of heavy sickness?

3. Would you favor one of these systems for the United States, or do you feel that no changes should be introduced? Explain.

4. How does the industrial life of France differ from that which prevails in the United States?

5. How did the Blum government handle the series of sit-down strikes which swept through France shortly after it came into power?

6. Why has Premier Blum had to promise that he will cut down on public spending and balance the budget? What do the opponents of this policy have to say?

7. Do you see much similarity between the political and economic conflicts now taking place in France and those which have been going on in the United States?

8. After the sit-down strikes came to an end in the Chrysler plants, what were the main issues which remained to be adjusted?

PRONUNCIATIONS: Leon Blum (lay-on' bloom)—o as in go), François de la Rocque (frahn-s wah' d' lah' rok'—o as in or), Ga-leazzo Ciano (gah-lay-at'soh chah'no).

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AROUND THE WORLD

Spain: For the second time since its outbreak last summer, the civil war in Spain threatened to spread beyond her borders and involve the major powers in Europe. A number of developments went to the making of this tense situation. By his tour through Libya, where he proclaimed himself the protector of Arab peoples, Premier Mussolini had aroused the anger of the British, who saw in it a further bid for Mediterranean power. Several important British figures openly condemned Il Duce's recent purge in Ethiopia, when 1,800 natives were summarily shot; and editorials in the British press became openly hostile.

As if this were not enough, the loyalists continued their successful rout of the rebel forces on two fronts, undaunted by the fact that General Franco had the support of 30,000 Italian troops. Mussolini was considerably disturbed and rushed back from Libya. In Rome he made a bitter attack upon Britain. It was rumored that in order to assure the victory of the insurgents, he would dispatch further aid to Spain. The rumor gained further currency when the Italian delegate to the London Nonintervention Committee openly rejected a proposal to call back all volunteers.

At this point, France stepped into the arena and announced that if Italy should continue to send aid, she would place the matter before the League of Nations. Apparently this threat caused some concern in Rome, for the next day it was reported that Italy had given assurances to the foreign office in London that she would not send further aid and that she was even prepared to reverse her previous refusal to consider the withdrawal of Italian volunteers. It remains to be seen, however, whether these assurances will be translated into action.

* * *

Germany: The vigorous denunciation of German officialdom by Pope Pius XI, a fortnight ago, has served to focus attention once again upon the struggle that has been going on intermittently between church and state since the advent of Hitler. The struggle has been carried on at two fronts; at one, with Protestants, at the other, with the Roman Catholic Church.

When Berlin signed a concordat with the Vatican in 1933, it had been expected that Roman Catholics would be permitted to carry on their religious activities unhindered. The belief proved baseless. Although the agreement provided that Catholic youth groups be permitted in Germany, a government decree abolished them and



—H. W. Turner

AN ITALIAN VIEW OF THE LOYALIST SIDE
"A dispatch from Valencia," says the Russian general. "Who can read it? It's in Spanish!"

forced Catholic young people to join the Hitler Youth Movement. The existence of Catholic parochial schools had also been guaranteed by the concordat but Nazi officials insisted upon conducting elections to determine whether the parents approved of these schools. In a number of districts, the disapproval was almost unanimous. Catholics charged the government with falsifying the results or so intimidating the voters that they could not, without danger of harm, freely express their true preference.

The problem of the Protestant churches evolved along different lines. A minister for church affairs was appointed by the government and he was made responsible for bringing church doctrine and teaching into conformity with Nazi doctrine. Some of the ministers accepted the supervisory authority of the government. But a large number rebelled. Prominent theologians, such as Karl Barth, were forced into exile; while others, on various grounds, were placed in concentration camps. In order to discredit the activities of the churches, they were forbidden to accept funds with which they had normally aided the poor. Courses in theology were revised; religious periodicals were rigorously censored.

* * *

Russia: While repression exists in every country ruled by a dictatorship, there is one essential difference between Germany and Italy on the one hand and Russia on the other that deserves emphasis. It is true that the individual has no freedom in any of these lands. He cannot say what he thinks, write what his conscience dictates, or always do what he

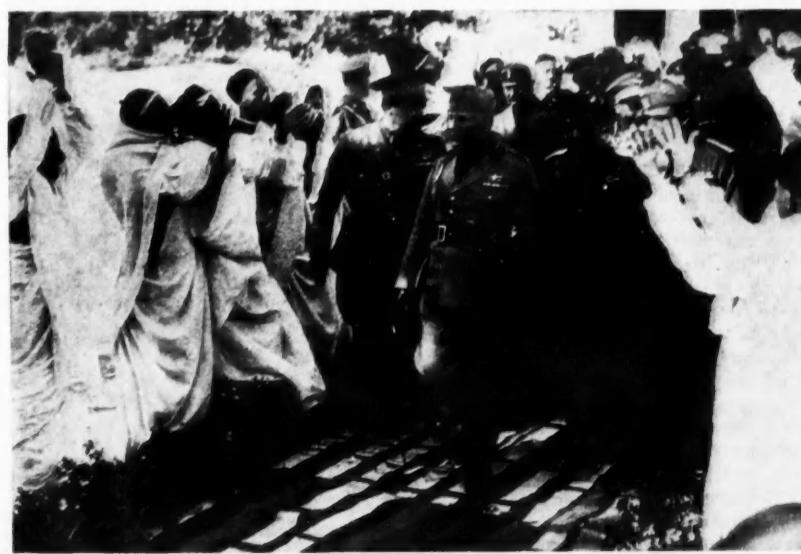
pleases. He is completely subservient to those in power. But here the similarity ends. Mussolini and Hitler both regard this suppression of freedom as a matter of political principle. They have nothing but contempt for democracy. The dictatorship is not merely an expedient for meeting a temporary crisis. They look upon it as having come to stay for generations without end.

This attitude is in striking contrast with that prevailing in Russia. There, too, the individual is but a cog in the wheel of state machinery. But far from glorying in this fact, the Moscow leaders look upon it as a regrettable necessity. Admitting that their rule is dictatorial, they do not, however, set it up as ideal. They claim that the dictatorship is but a stepping-stone to a more democratic form of government. This, at least, is their published attitude, although opponents of the Soviet system are inclined to take it lightly.

An illustration of this difference between the fascists and the communists was afforded the observer last week by a speech of Josef Stalin, the Russian dictator, and an editorial which appeared in *Pravda*, official organ of the government. Addressing a group of high officials, Stalin deplored the recent tendency to place him upon a pedestal and to indiscriminately praise all that is taking place in Russia. There is too much overconfidence and complacency, he said, over the progress made in industry and agriculture. The people are becoming too conceited, too self-satisfied. Echoing his words, *Pravda* maintained that immoderate applause can but result in replacing drum-beating for daily work.

* * *

Yugoslavia: A political and economic pact that should completely dispel the suspicion and hostility which have marked relations between Italy and Yugoslavia almost from the day that the latter country was created, following the World War, has been signed at Belgrade, the Yugoslavian capital. The agreement, arranged by the Italian foreign minister, Count Galeazzo Ciano, is to run for five years and consists of a number of provisions. The boundaries of each country are to be respected by the other, an important provision since Belgrade has all along feared that Mussolini might seek to slice off some of its territory, as he had earlier seized several of its ports. Both powers will act in concert when any political development in Europe affects the interest of either. Subversive activities against each other will be suppressed. This provision means that Italy will have to cease supporting the terrorist bands which for years have threatened the stability of Yugoslavia and which were responsible for the assassination of former King Alexander.



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MOSLEM PROTECTOR
When Mussolini visited Libya, an Italian colony in Africa, and made overtures to all the Mohammedan peoples along the Mediterranean coast, including those in British and French possessions.



—Le Canard Enchaîné, Paris

A FRENCH VIEW OF THE REBEL SIDE
"Look, there's a Spaniard there!"
"Yes, that race pushes in everywhere."

Finally, both countries will seek to extend their trade relations. Yugoslavia naturally welcomes this clause since a large part of her exports go to Italy.

This accord has been hailed by both governments as the beginning of a new era. Certainly, its terms appear on the surface to be most friendly and favorable.

But some dissatisfaction with it was displayed the day after its completion when a group of Yugoslavian students organized a demonstration and shouted, "Down with Mussolini." And some observers, looking closely at the wording of the agreement, think that they have found a fly in the ointment. Thus, while Italy agreed not to wage war on her new ally, she gave no assurance to Yugoslavia that she would fight with her against any aggressor. She only pledged herself not to support a third power, if that power should attack Yugoslavia.

* * *

King Leopold of Belgium has been on a mission to England, where he discussed with Foreign Secretary Anthony Eden the problem of Belgian neutrality in the event of a European war. It is reported that the British government urged upon the young monarch the necessity of building strong defenses to avoid a recurrence of 1914, when Belgium's neutrality was violated.

* * *

The Eiffel Tower, mecca of Paris visitors since its construction in 1899, is to be torn down after the close of the exposition to be held in France this summer. Once the tallest structure in the world, the tower has now been dwarfed by New York skyscrapers, and Parisians have begun to feel that its steel framework adds little to the charm of their city.

* * *

After a four-year period of student political strife so fierce that classes had to be dismissed, Havana University, in Cuba, has reopened its doors. 6,000 students, returning to their classes, promised that they would permit the university to function if classmates now imprisoned for political activity would be released within 30 days.

* * *

Missionaries in China report the danger of a severe drought in several of the provinces having a population of almost 100,000,000. Unless there is immediate rain, it is feared that as many as 10,000,000 Chinese may suffer from the ensuing famine.



© W. W.
GALEAZZO CIANO



U. S. TO DELAY CRUISER CONSTRUCTION

Until it becomes definite that there is no further hope for international arms stabilization, the Roosevelt administration has decided to postpone the construction of 10 cruisers, similar to the one above which was completed two years ago.

Court Reverses Itself

The United States Supreme Court has reversed earlier decisions and now declares, by a vote of 5 to 4, that it is constitutional for a state to enact a minimum wage law for women. A number of years ago, in a case involving an act for the District of Columbia, the Court held such a law to be unconstitutional. Last summer it declared a New York minimum wage law to be contrary to the Constitution. In the New York case the Court was divided 5 to 4. Justices McReynolds, Sutherland, Butler, Van Devanter, and Roberts voting against the right of the state, with Chief Justice Hughes and Justices Brandeis, Stone, and Cardozo voting that the state had the power to provide a lower limit for the wages of women. The same question came up again; this time a minimum wage law of the state of Washington being up for decision. The reversal of the previous decision is due to a change by Justice Roberts. He now votes to uphold the right of the states.

In favor of the right of a state to provide that wages below a certain level shall not be paid to women, it is argued that the states, under the police power, may protect the health, safety, or morals of the people in any reasonable way. It is contended that very low wages when paid to women may be injurious to health and morals, and that action by a state to prevent very low wages is a reasonable exercise of the police power. That is the position now taken by a majority of the Supreme Court.

Against the power of the state to enact minimum wage laws, it may be argued that the fourteenth amendment forbids a state to take property or liberty without due process of law. It is contended that a law forbidding people to make contracts to work at whatever wages they see fit is a denial of liberty. It is also sometimes argued that if a state requires employers to pay a specified wage, the wage may be so high as to deprive the em-

ployer of profits and that this, in fact, is a taking of his property.

The change in the ruling of the Court comes from the fact that one justice, Justice Roberts, changed his mind. The result of the decision is that any state which wishes to do so may now enact minimum wage legislation and such legislation will be held constitutional by the Supreme Court unless some justice changes his mind. That is always possible, for the Supreme Court is not obliged by law to follow its previous decisions.

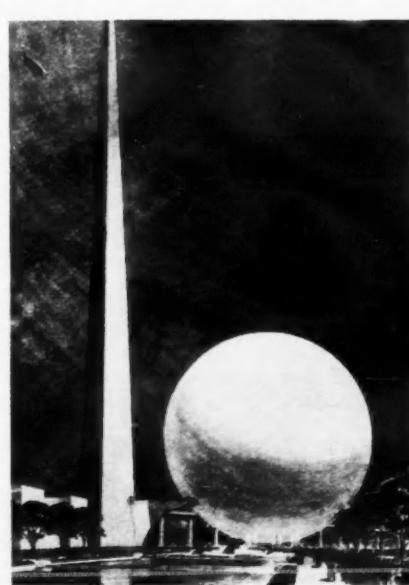
Those who advocate President Roosevelt's proposal to enlarge the number of justices in the Supreme Court point to this changed decision as a justification for their position. They say it indicates that no amendment to the Constitution is necessary, that legislation demanded by the majority in Congress is in conformity to the Constitution, and that all that is needed is a liberal interpretation of the Constitution. They say that the uncertain position of the Court requires the addition of new justices, but that when this addition has been made, a liberal interpretation may be assured.

Opponents of the President's plan argue that the recent decision is added evidence that the change is unnecessary; that the Court in the long run will keep in conformity to the settled opinion of the majority of the people to a reasonable extent. They point further that the decision makes it possible for the states to enact such social legislation as minimum wage laws, thus removing one of the most effective arguments for a change either in the Constitution or in the composition of the Supreme Court.

Labor Relations Eased

The nation's labor troubles, which last month were characterized by a constantly spreading wave of sit-downs and the threat of a general strike in Detroit, now seem to be subsiding, although a number of strikes are still in progress and a few other new ones are threatened. Union members who for three weeks had occupied the Chrysler plants have quietly withdrawn and by the time this issue reaches its readers it is quite possible that the dispute itself will have been settled.

The first real beginning toward a final settlement in the Chrysler strike was made when Governor Frank Murphy of Michigan brought Walter P. Chrysler, head of the company, and John L. Lewis, leader of the C. I. O., together for a conference in Lansing, Michigan. It was almost immediately agreed that the sit-downers should voluntarily leave the factories, that the company would not attempt to start work again while the negotiations were in progress, and that both sides would continue efforts to work out their differences together. The union claimed to have a majority of Chrysler workers in its membership, and thus to be entitled under the Wagner Labor Relations Act to have the right to bargain for all employees of the company. But it was reported to have modified its demands, asking only that it be preferential instead of exclusive rights in matters of collective bargaining. Perhaps this offer to compromise will be the basis for the final agreement.



© Wide World

PERISPHERE AND TRYILON
Architect's drawing of the two great structures to be erected for New York's World's Fair of 1939.

The Week in the

What the American People

Meanwhile, Mr. Lewis was called to New York to take up again negotiations for a new wages-and-hours agreement with the coal mine operators. The Mine Workers Union is asking for higher wages, shorter hours, a guaranteed minimum working year of 200 days, and an annual two weeks' vacation with pay. The operators want to increase the length of the work week and keep the present wage scale. Unless an agreement is reached by April 1, when the present one expires, the miners, more than 400,000 in all, have threatened to strike. However, the mine owners and mine workers have recently developed the habit of settling their disputes peaceably, and they are expected to agree this time.

Steel

Steel production in the United States—always a good business barometer—has just reached the highest point on record, and the country's steel mills are now running at 90 per cent of capacity. Despite recent increases in the price of steel, orders continue to pour in. Railroads, automobile factories, and the manufacturers of farm machinery are buying large quantities of steel. The race to build more warships and military equipment, in which most of the world is now engaged, has also contributed a great deal to the present steel



AND DON'T SPARE THE HORSES!

—Talburt in Washington News

a positive nuisance since they must be burned or otherwise destroyed.

Modern chemistry has developed many valuable uses for cellulose; it is, for example, the basis of our paper, of rayon, of wallboard and various other materials used in building, of some of our important manufactured foods, of numerous medicines. The possible supply is practically unlimited. Hitherto, however, only certain kinds of plant materials could be used because of the prohibitive cost of getting pure cellulose from the others by the only known chemical and mechanical methods. But now, a machine has been perfected which greatly simplifies the extraction of pure cellulose from any kind of plant material. This machine gets rid of the liquids, and the impurities such as oils and waxes, by applying enormous pressures to the crude material—pressures running from 100,000 to 140,000 pounds to the inch. Such pressure hitherto has been believed to be entirely impossible. Only very little chemical treatment is needed to get absolutely pure cellulose out of what comes from this machine.

The process and machine have been developed by Mathew J. Stacom, a self-taught engineer and president of the Island Lumber Company, Long Island City, New York.



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NEW ENVOY FROM GERMANY
Dr. Hans Heinrich Dieckhoff, acting undersecretary of the German Foreign Office, has been named to succeed Dr. Hans Luther, as ambassador to the United States (see page 6).

boom. A vast amount of scrap iron is being shipped to other nations, and the price for it is constantly rising. Only in orders for construction steel has business fallen off. The government's reduction in its purchases for public works is largely responsible for this decline. Private building is still lagging behind and consequently is not as large a customer as it might be.

New Wealth Maker

Cellulose, the solid part of every kind of plant from the tiniest garden weed to the largest tree, is one of the most abundant raw materials in the world. A new process has just been developed for developing cellulose in pure form which, as described by the New York Times, opens "vast new outlets for the products of forest and farm, with far-reaching beneficial effects, through the creation of new wealth, on agriculture and industry and thus on the national economy in general." The process promises "the dawn of a new era in the manufacture of paper, textiles, sugar, food products, medicines, and a host of other essentials of present-day life." It also will provide a use for cornstalks, cotton plants, sugar cane after the juice has been extracted, the jack pines which grow so rapidly in the southern states, and scores of other plant materials which now are useless or are even

HOME OF DR.
John L. Lewis, head of very modern C. I. O., has built a building which dates to

The United States

Doing, Saying, and Thinking



WHO SAID THAT?
—Herblock in Emporia Daily Gazette

in 1929—barring disastrous droughts or floods—and that the farmers' money will buy more this year than it did then. But agricultural authorities are beginning to worry about what will happen if the crops this year produce another large surplus.

Labor Board's Successes

One strike which breaks out receives much more publicity than a dozen which are avoided. Thus, it is distinctly news that the National Labor Relations Board has handled 2,072 cases of labor disputes, involving 745,702 workers, during the past 17 months, since the board began functioning. Of these disputes, 101 were threatening to turn into strikes before settlements were reached. By March 1, more than three-fourths of all the disputes had been peacefully settled.

Child Labor Amendment

Massachusetts, Connecticut, and Nebraska have joined the states whose legislatures have voted against ratifying the child labor amendment to the Constitution which was submitted in 1924. The prospect of securing the eight more approvals needed to put the amendment into effect thus is growing dim. In the circumstances, Senator Borah and others are proposing that a new amendment be drafted and submitted to the states which will meet the main objections to the one now under consideration. Senator Borah's proposal is to set an age limit of 14 years, instead of the 18 provided in the amendment now before the states. Others want to see the word "regulate" eliminated from the present amendment, or a provision included that only child labor for hire would come under federal jurisdiction. The sponsors of a new amendment would like to have it submitted to specially called state conventions, rather than



OF THE LEADER
has joined this dwelling in historic Alexandria, Virginia,
date of revolutionary times.

to the state legislatures, to assure quick action.

Navy Plans

In accordance with a decision not to join in a navy-building race, the Navy Department has given up its plan to ask Congress to authorize the building of 10 new cruisers next year, according to a report in the New York *Herald-Tribune*. The two battleships provided for in the new naval appropriations bill will be built to replace over-age ships. Other construction also will be carried out to keep the navy up to the limits set in the London Naval Pact of 1930. But for the present at least, no building will be done beyond those limits, even though the pact expired at the end of last year and in spite of the fact that Britain and Japan are planning to increase their navies beyond the pact limits. The reason for this decision by the administration, it is reported, is the hope "for some sort of move in the next 12 or 18 months aimed at world stabilization in armaments as well as in economics and politics." The present thought, however, is that Britain rather than the United States should sponsor such a move.

By a vote of 64 to 11, the Senate, on March 22, approved the naval appropriations bill providing \$512,800,000 for the navy in the next



THE SNOW-CAPPED HIMALAYA MOUNTAINS ON THE INDO-TIBETAN BORDER
(From an illustration in "Hermit of the Himalayas," by Paul Brunton.)

York restaurant workers and owners of millions of dollars a year. By threatening to wreck the restaurants, and actually wrecking them when the threats alone were not effective, this organization compelled owners to join a so-called "Employers Protective Association."

This kind of racket has developed in many large cities in the last several years. Hitherto all efforts to reach and punish the leaders have failed, though some have been caught on charges of violating the income tax laws.

For the World's Fair

A giant white sphere, 200 feet high, which will seem to be supported by fountains, is one of the spectacular features planned for New York City's World's Fair of 1939. Alongside of it, a slender 700-foot triangular shaft will rise into the air.

These two structures will be called the "Perisphere and Trylon," and will be the tallest at the exposition. The Perisphere will house a "Theme Exhibit"—the portrayal of the basic structure of the world of tomorrow. It will rise 18 stories above the fair grounds, and will be broader than a city block.

* * *

Since 1927, when North America was first linked to Europe by a system of radio telephony, the service has been extended southward and westward, so that from the United States, telephone communication may be had with 71 countries and territories. The Pacific was spanned in 1934 by a service between San Francisco and Tokyo; South America had already been connected with the United States. Today 93 per cent of the world's telephones can be reached from the United States.



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THE ARTIST AT WORK
John Stuart Curry, noted Kansas artist, works on a mural in the Justice Department building in Washington. It is entitled "The Bringing of Justice to the West."

fiscal year. This measure previously had been passed by the House of Representatives though in slightly different form. The bill provides, among other things, for the construction of two 35,000-ton battleships, to cost about \$50,000,000 each. In the debate on the bill, almost all the talking was done by opposing senators. The chief criticism was that the United States has no well-defined defense policy or potential enemy to justify putting this much money—the largest amount in American peacetime history—into the navy.

Victory for the Law

Industrial racketeering has been dealt a staggering blow in New York City with the conviction, on March 25, of seven leaders in the restaurant racket after a 10-weeks' trial which followed months of preparation by Special Prosecutor Thomas E. Dewey. The jury, after five hours of deliberation, found the racketeers guilty on all of the 182 charges brought against them. The prison sentences to which the men are liable run between 215 to 358 years each. As Mr. Dewey said: "For the first time a complete industrial racket has been presented to a jury and the verdict established that racketeering can be crushed."

These seven men were the "higher ups" in an organization that has been bleeding New

York restaurant workers and owners of millions of dollars a year. By threatening to wreck the restaurants, and actually wrecking them when the threats alone were not effective, this organization compelled owners to join a so-called "Employers Protective Association."

This kind of racket has developed in many large cities in the last several years. Hitherto all efforts to reach and punish the leaders have failed, though some have been caught on charges of violating the income tax laws.

went to great lengths to secure the solitude requisite to untarnished thought is evident in "A Hermit in the Himalayas" (New York: Dutton \$2.50). In its pages he tells how he lived alone for days in a hut perched among the Tibetan peaks. But what wisdom he got, he has unfortunately been unable to transmit to his readers. He misses an opportunity to enlighten us in coherent language on a subject which is undoubtedly fascinating. If one is willing to wade through many pages of ambiguous, often flighty, prose he may obtain some impressions of an interesting side of Indian life, from this book. But this volume is to be recommended only to those who have an absorbing interest in this particular subject, and who do not wish to miss any available information.

American City

Miss Josephine Johnson, whose first piece of fiction won her the Pulitzer award in 1935, has written a moving novel that goes to the very core of the labor problem in the United States. Her "Jordanstown" (New York: Simon and Schuster, \$2) is a sketch of a rather typical American city where the line that divides the poor and the pompous is made bolder by the depression. It is a city where the town fathers whittle relief to the point where those in need cannot complain that they are actually starving while at the same time they have money enough to erect a monument to an obscure general. Against the absurdity of it, there is a single voice to protest, a young man who publishes the town paper. He tries to organize the workers, to shape their formless mass. He encourages them to build a clubhouse where they can meet. It is a rickety patched-up affair, but it is at least their own, and to celebrate its completion they stage a parade. On the very day that the workers of Jordanstown are to gather in their club, it is legally condemned by the mayor. The parade is legally halted. Some ruffians are sworn in as guardians of the law, and they legally shoot down the marchers.

NEW BOOKS

Portrait of an Era

"Victorian England: The Portrait of an Age" (New York: Oxford, \$3) is history as it should be written. Its author, G. M. Young, is recognized as the foremost authority on this era. Scorning the facile generalizations that would satisfy a lesser scholar, he has gone to astounding lengths to substantiate his every statement. Long parliamentary debates, obscure memoirs, numberless reports, county records, newspapers of the day, even the humor sheets are grist to his mill. The result is something of an intellectual nut to crack. His volume is not easy reading. It requires intense concentration, but the effort is extremely worthwhile. Only a moving picture could give as precise and comprehensive a portrait of how an era lived, how it struggled, prayed, amused itself, and was misgoverned. And no movie would dare to be as realistic.

Mystic India

Paul Brunton's publishers say of him that he knows more about Yoga, the mystic science of India, than any living Westerner. That he



JOSEPHINE JOHNSON
(From a drawing by Karl S. Woerner.)



The Walrus

"The time has come, the walrus said, to talk of many things: of shoes—and ships—and sealing wax—of cabbages—and kings."

I CHANCED to be in New York on Easter Sunday and found the city crowded with visitors. Many New Yorkers had left town for the day, large numbers of them, it seemed, having gone to Washington. But their places were more than taken by the thousands who had trooped into the city. The hotels, gaily bedecked for the occasion, were turning people away. The gayest of all was the Waldorf Astoria, its lobby and lounges banked with Spanish azaleas and lilies, with a generous sprinkling of orange and plum trees and branches of acacia. This famous hotel, center for fashionable New York, is a focal point along the line of the Easter parades which pass along upper Fifth Avenue and Park Avenue each Easter Sunday.

But this year the avenues were bleak, for the day was cold and windy. The crowds which milled through the Waldorf Astoria were composed chiefly of out-of-town visitors who had left their Easter finery at home. Fifth Avenue was jammed, but mainly with spectators, rather than participants in the Easter parade; men and women and children who braved the raw March wind in order to see what was going on—only to find that nothing much was. A few silk-hatted men and heavily coated women were conspicuously on parade. An old-fashioned coach, drawn by four prancing horses made its way down the avenue with an elaborately costumed party aboard, followed by a truck carrying radio broadcasters. I learned later that Beatrice Lillie was one of the party, but I didn't know it at the time and neither did any other of my thousands of sidewalk companions. And even if we had known it, it wouldn't have been particularly exciting. The church services were beautiful and elaborate, I understand, but the Easter parade was a flop.

DIDN'T worry much over the discomfiture of those who found the day unsuited to a fashion display, for I can't quite reconcile myself to such a use of Easter Sunday. What less appropriate custom could be devised for a festival which is celebrated in honor of the lowly Nazarene? Ostentation seems so completely contrary to His spirit and practice. The point, I suppose, should not be stressed too strongly. We all know that Easter, like so many other holy days and festivals, has lost much of its early significance, and has become a holiday, pagan in spirit, celebrating the coming of spring. But I can't dismiss an inner protest at the association of the resurrection with practices so foreign to Christian teaching.

ONE is never much surprised to meet someone of national reputation on the streets of Washington. The city isn't very large, and the number of celebrities in proportion to the population is probably higher than in any other city of the land. No wonder we rub shoulders with them on the sidewalks now and then. New York is so large, however, that one doesn't expect to come face to face on the streets with men or women whose pictures adorn the newspapers of the nation. As I was walking along Madison Avenue the other day, however, I met Al Smith, and was pleased to observe as he passed along that he looked particularly well. He was younger in ap-

pearance, it seemed to me, than he was several years ago. His political reverses appear not to weigh heavily upon him. Peace of mind probably results from the fact that things have been going well with his business. The Empire State Building was a source of worry to the company of which Mr. Smith is president, during the depression years, but now most of the offices in that great 102-story structure are rented.

The papers report that Smith has his business in such good shape that he is planning his first trip to Europe.



HAROLD J. LASKI, British economist, packed the huge Constitution Hall in Washington two consecutive evenings, lecturing on the future of democracy in Europe and America. This is significant in that the hall is seldom filled, even on the occasions of the outstanding concerts of the year. Mr. Laski's were among the lectures which are being given in the national capital this spring in memory of the late Senator Bronson Cutting.

Particularly interesting was the opinion of this brilliant British lecturer that there appeared in America during the short years from 1776 to 1805 a body of political thinkers without parallel at any place and in an equal length of time in the history of the world. Such statesmanship, he thinks, has not been found since in America, though there was more of it, in his opinion, during the period before the Civil War than there has been since.

Whether or not one agrees in full with Mr. Laski, it is certain that the early years of the American Republic produced a disproportionate number of great men. How did that happen? What are the conditions under which greatness is likely to appear? Does the hurried life of modern industrialism militate against it? One who could answer these questions satisfactorily would be wise indeed.



GERMANY is to send a new ambassador to Washington. The popular Dr. Hans Luther has been recalled, to the regret of many Americans who have had a more friendly feeling toward Germany because of the presence of Dr. Luther, former head of the Reichsbank, former chancellor of Germany, straightforward, genial, kindly diplomat.

Dr. Luther, though for years a financier and statesman internationally known, is a simple and unaffected man, with a humorous turn, wholly without pretense or "front." It was characteristic of him that at a private dinner party recently he expressed interest in the way a guest, seated next to him, handled his oysters on the half-shell—said he had never learned to manage them expeditiously. He listens respectfully to what others have to say; then on occasion expresses himself forcefully. As he proceeds with his argument, he appears at times to be making a speech. His neck reddens, not in anger, but in earnestness. When he has finished, he settles back and looks around with a sly expression to see what impression he has made. He can drive home his points with earnestness, without losing any of the spirit of friendliness and tolerance which he always maintains.



HANS LUTHER

—The Walrus.



EARLY NINETEENTH CENTURY AMERICA
It was during this period, says Professor Harold J. Laski, that the United States produced its greatest thinkers. (From a water color in the collection of the Maryland Historical Society.)

Historical Backgrounds

By David S. Muzzey and Paul D. Miller

The New Freedom and the New Deal

WOODROW WILSON, like Franklin D. Roosevelt, will go down in history as a reform president. Both came into office with the belief that the power of the government should be used to correct abuses which had crept into the economic system. Both sought to popularize their ideas by giving them symbolic names. In the case of Wilson, it was the New Freedom, and in the case of Roosevelt it has been the New Deal. In many respects, the basic aims of the two Presidents were identical, for both tried to reorganize our economic life in such a way as to distribute the benefits more widely, to give the common man a greater chance than he had enjoyed, and to strip the big business elements of economic and political control which they had exercised.

Three Features

There are three essential features of the New Freedom which command our attention, for Wilson sought by these devices (and there is no telling how far he might have gone had the World War not intervened) to change the economic order for the benefit of the masses. His first attack upon big business was in the form of tariff revision. The tariff act passed early in his administration was the first successful attempt at tariff reform since the Civil War. Wilson felt that a high tariff enriched American manufacturers at the expense of the rest of the population. It enabled them, he pointed out, to escape foreign competition, and thus charge unduly high prices for their products. It was all right, in his opinion, to have a low tariff in order to protect American wage standards, but he felt that the rates which had been in effect were far too high.

Wilson's second reform was with the banking system. Shortly after his inauguration the Federal Reserve System was established. Whereas under the old banking system, the federal government exercised little control over the banks of the country and the large New York banks were able largely to determine banking policy of the entire country, the new law attempted to make the banking system serve the needs of every section. Thus instead of New York City being the financial center and reservoir of the nation, 12 regional reserve banks were established from which the banks of the country could draw for funds.

The third important move made by the Wilson administration took the form of additional trust legislation. It is true that antitrust laws were in operation long before Wilson took office, but these laws did not greatly curb the growth of monopoly. Wilson, therefore, sought to stop up the many loopholes which enabled big business concerns to freeze out the little fellows and to destroy the free competitive system.

These were among the main reforms inaugurated by Wilson. Whether they would have succeeded in altering the character of American economic life if the World War had not come, is a question which can never

be answered. The fact is that the war did come, and it worked to accomplish the opposite results. War creates such a national emergency that the entire economic strength of the nation has to be concentrated on its successful execution, and thus the war fostered the cause of monopoly. With the armistice, big business was more firmly in the saddle than ever before, and the demands to unhorse it would probably have remained faint and ineffectual had the great crash of 1929 not come.

The New Deal

While President Roosevelt has been working toward the same goals which Wilson was trying to attain, his methods are basically different. The New Freedom, as we have seen, represented an attempt to use the power of government to reestablish the free competitive system which the growth of monopoly had done much to destroy. The Roosevelt administration, on the other hand, has not been so concerned with the problem of combating the big trusts and corporations. Of course, the tax program of the present administration, placing heavier burdens upon the large corporations, has been interpreted by some as a drive against bigness in business. Also the law designed to break up the big utility holding companies is a step in that direction. But, for the most part, the Roosevelt administration has attacked the problem in a different manner. It has appeared to hold the view that large-scale business enterprise is here to stay, regardless of any amount of raving and ranting.

Consequently the administration feels that rather than to try to check what seems to be the inevitable trend, the government should see to it that the great corporations act in accordance with the public interest; that all sections of the population benefit from the industrial progress that has been made; that steps be taken to give labor and farmers a larger share in the product of industry.

We cannot dwell at length upon the pros and cons of the administration's program at this time. Its avowed aim is to create better living conditions for the masses of the American people. It has won the antagonism of the business interests of the country which feel that it is a menace to future prosperity. Nor has it won the unanimous support of many people who are genuinely interested in reforms to improve the common lot. To them, the New Deal's bark is much worse than its bite. They believe it is undertaking nothing fundamental which business interests need fear. Supporters of the program, on the other hand, feel that it is the salvation of capitalism.



DAVID S. MUZZEY

Personalities in the News

Walter P. Chrysler

Walter P. Chrysler, who has been engaging in a dispute with the Automobile Workers' Union (see page 4), is head of America's third largest automobile corporation. From his early days, he has been absorbed with anything having to do with mechanical work. His father was a locomotive engineer, and young Chrysler went to work in a railway shop immediately after he left high school. He became a mechanic and then a shop superintendent. Meanwhile he had become greatly interested in the "new-fangled" horseless carriage. In 1905 he invested his hard-earned savings in one of the "new" models.

He was constantly tinkering with it, and taking it apart, as a child would a watch. While still a young man, he entered the automobile industry and rapidly rose to key positions. He became president of the Buick Company, vice-president of General Motors, executive vice-president of Willys-Overland, owner of the Maxwell Motor Company, and now president of the Chrysler Corporation, which he founded.

Leon Blum

It is reported that in the official bookshop of the French Socialist party in Paris, it is impossible to secure even a paragraph of information concerning the life of Premier Leon Blum, the nation's most eminent Socialist. The French national library boasts of no more than half a dozen pages of bibliographical material.

This, however, does not mean that Leon Blum is a "man nobody knows." He has

THREE imaginary students will meet each week on this page to talk things over. The same characters will continue from week to week. We believe that readers of THE AMERICAN OBSERVER will find it interesting to follow these discussions week by week and thus to become acquainted with the three characters. Needless to say, the views expressed on this page are not to be taken as the opinions of the editors of THE AMERICAN OBSERVER.

Mary: Well, we haven't got together to talk things over for several weeks, and a good many things have happened since then. The sit-down strike issue, for example, has become a good bit more intense. What do you think about it, anyway?

John: If you are speaking to me, I'll say that I think sit-down strikes are dangerous. There is no excuse for them. The sit-down strikers are no better than thieves. They take possession of property which doesn't belong to them. They have no legal right whatever to take charge of plants or factories simply because the employer will not give them what they want.

The trouble is that they aren't ordinary thieves. They're really revolutionists. If the sit-down strikes spread, a dangerous situation will be created in America. An ordinary strike is bad enough, but it is likely not to succeed unless public opinion is with the strikers; otherwise, the employer will be able to get men to take the places of the strikers, and industry can go on operating. If public opinion is with the strikers, the employer will probably give in after a while. So ordinary strikes do not threaten to stop industry throughout the nation.

But sit-down strikes do. A few men, much less than half of all the workers in a plant, can close down the whole works. If they occupy the factory, no one can work. So if little groups of discontented workers get into the habit of taking charge of the employer's property whenever they do not like the way things are going, so many industries may be tied up that industrial progress will be impossible and we will sink back into depression. For that reason, I think that something should be done, and done quickly, to stop the sit-down strikes.

been on the national scene in France long enough that his ideas and personality are familiar to the people, even if there is lacking an abundance of fact concerning the events of his early life.

It is known that as a boy, Leon Blum was something of a child prodigy. He was born of Jewish parents, and early in life showed a keenness of mind which has been steadily sharpened with the passing of years. He turned first to literature—to poetry, and to dramatic criticism. But a burning hatred of injustice led him into politics, and into the Socialist party, although he inherited a considerable amount of wealth. He became a disciple of Jean Jaurès, founder of the French Socialist party, and ultimately made his way into politics and into the Chamber of Deputies. He progressed to the leadership of his party and last spring attained the premiership, with the backing of the Popular Front of liberal and radical parties.

Leon Blum believes in radical reform, but only gradually and on a democratic basis. He is a man of high ideals, but lacks the cunning of the professional politician.

Homer Martin

John L. Lewis' first lieutenant, in the automobile strikes which first tied up General Motors and then Chrysler plants, was Homer Martin, the young president of the United Automobile Workers of America. Martin, unlike Lewis, has not spent a lifetime in promoting the cause of workers. He started out as a minister in a Baptist church in Kansas City.

After falling out with deacons of his church, Mr. Martin became a worker in the

Kansas City General Motors plant. From then on his rise as a labor leader was rapid. When the A. F. of L. chartered a national union of automobile workers, Martin was chosen to be one of the vice-presidents. But the A. F. of L. union did not prosper. Martin was not heard from much until John L. Lewis and his group organized a number of independent labor unions in the automobile industry into one large union. The man chosen to head this organization was young Martin. He knows well the problems of the assembly line as well as the industry as a whole. Both as a college man and as a man with personal working experience, he typifies the best in modern labor leadership, although he has been a target of bitter criticism for his part in the sit-down strikes.

Benito Mussolini

The wit who wrote that "the good old days" existed "when only one man in Europe thought he was Napoleon," went to the root of present-day uneasiness on the continent. The future of the nations, and perhaps the world, depends to a dangerously exclusive degree upon the will and actions of Adolf Hitler and Benito Mussolini. This fact has been demonstrated time and time again as the nations have been plunged into fear and confusion as a result of the sudden decision of one or the other of these two dictators.

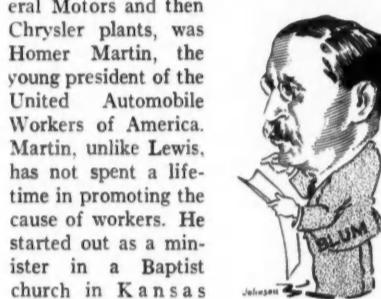
The life of Mussolini has been one of dramatic contrast. He began as a blacksmith, following in the steps of his father and grandfather. But ambition troubled him, and he was determined to educate him-

self by extensive reading. In a few years he was working on a Socialist newspaper; shortly afterwards, he became its editor. Then, when the World War broke out, Mussolini opposed the Socialist policy of staying out of the war. He demanded that Italy get into the fight, hoping that she would profit by doing so. That revolt lost him his job. Once again Mussolini was penniless and without influence. But when Italy flared up in a number of serious strikes, the employers needed someone to organize strikebreakers and reopen their factories. Mussolini, the discredited Socialist editor, saw his opportunity and seized it. In 1922 he led his followers into Rome, where the government was breaking up because it was too weak to deal with Italy's serious problems.

Mussolini is much more intellectual than Hitler; reads more and thinks more deeply. At the same time, he has the same art of making an emotional appeal; of stirring the masses. Hence his effectiveness as a leader.

In the sketch of Chairman Samuel D. McReynolds of the House Foreign Relations Committee, which appeared in THE

AMERICAN OBSERVER for March 22, it was said that Mr. McReynolds had made a speech criticizing the British form of government while he was serving as one of the American delegates at the London Economic Conference in 1933. Further investigation convinces us that Mr. McReynolds made no such criticism then, and that at no time has he made a speech criticizing the British form of government. We regret that this error occurred.



TALKING THINGS OVER

The sit-down strike. Is it a revolutionary manifestation? Should the government have greater powers to mediate in labor disputes? Is there danger in such a policy?

Charles: I don't agree with John at all about the nature of a sit-down strike. It seems to me that the men are merely looking out for their own rights in the only way they can do it. An employer has certain rights to his property; I will admit that, but a worker also has a right to his job, and employers generally do not recognize that right. Let us suppose that an employer and his men cannot agree on the terms under which the work shall be carried on. The employer wants the plant to operate and the men want to go ahead working, but they can't agree upon the conditions, upon the wages, and so on. So the men go on strike and walk out. Then the employer brings in strikebreakers to do their work. He doesn't wait until an agreement has been reached on the conditions under which they shall work. He simply takes their jobs away and gives them to other people. Now, the worker's job means as much to him as the employer's plant means to the employer. And if the employer doesn't respect the worker's rights, it seems to me that the worker needn't respect the employer's rights.

John: If the worker wants his job so badly, he can have it if he stops striking and goes back to work.

Charles: Yes, he can have it if he is willing to be a slave of the employer; if he allows the employer to decide what wages will be paid and what all the conditions of work shall be. But if the worker insists that the conditions and wages shall be fixed by negotiation between employer and workers, the employer simply gives the job to somebody else. The way things have been in the past, employers made all the deci-

sions. Now, I'd like to see labor make them, and by using the sit-down strikes the workers have a chance to do it.

Mary: It seems to me that both you boys are wrong. Each one of you is taking an extreme position. I agree with some of the things that each has said. I agree with John in not liking the sit-down strikes. I don't like to see workers taking possession of property that belongs to somebody else. Furthermore, I wouldn't want the workers to get complete control of industry so that they could put wages wherever they wanted them. If they could do that, what would prevent their putting wages so high that the companies couldn't pay expenses without raising prices? But if prices were raised too much as a result of high wages, the whole population would suffer. It would mean that people could buy less, and that would mean that fewer workers could be employed.

Charles: But isn't it a bad situation to let the employers put the wages wherever they want them? If employers have the power to do that, won't they make wages so low that workers will live miserably and that the workers won't be able to buy much? That also will cause the purchasing power of the country to dry up. Factories, then, will have to close down and there will be unemployment. It seems to me that you can't trust employers, any more than workers, to control wages.

Mary: I agree with that. That's where I think you are right and John is wrong. The employer shouldn't have the right to use his property just as he sees fit. He shouldn't have the last word in fixing wages

or working conditions. But neither should the workers. There should be a law requiring that employers recognize labor unions and negotiate with them over wages and working conditions. The law should also provide that when there is a dispute between employers and a union, the arguments of both sides should be heard by a mediation board, containing representatives of workers and employers and the government. Until some decision is reached, the employer should not have a right to bring in strikebreakers and the strikers should not have a right to occupy a company's plants. Each should be obliged by law to respect the property rights of the other so long as the dispute lasts.

John: That would give an advantage to strikers. If an employer couldn't bring in strikebreakers, the strikers would always win.

Mary: No, if the strike were long continued, they, as well as the employer, would suffer and they might have to come to terms. But if the case were threshed out before a mediation board, with representatives of the public present, nearly all quarrels could be settled before they reached the stage of a strike. We have mediation of that kind in the railway industry and there hasn't been a serious strike in the last 11 years.

Charles: But does the federal government have the power under the Constitution to enact and enforce a law like that?

Mary: That's another question. I don't know whether it does or not.

Charles: There's another angle to this problem that I question. In working out a law providing for mediation in labor disputes, there is danger, to my mind, that the powers entrusted to the government may be too great, or that the groundwork may be laid for greater powers in the future. There is danger that such a course might lead to too much control over the unions. In Germany and Italy, you know, the governments decide labor policies. Unions have been smashed. We don't want that sort of thing to happen here.

The High Cost of Medical Care

(Continued from page 1)

out of every 10 decaying teeth are given attention; the rest just keep on decaying; half the sick in certain crowded sections receive no medical care whatever; in many rural areas more than half of the cases of illness drag along without the help of a physician. We can understand this situation even more clearly if we think of it in terms of an imaginary, though typical, individual case.

A Sample Case

Henry Brown, let us call him, is an honest, reliable garage mechanic. He makes a fairly comfortable living and has a few hundred dollars saved up in the bank. One day he begins to feel pains in his side. He would not think of going to his doctor—at least not until he felt a lot worse. No use paying out four or five dollars every time you get an ache, he told himself. Several days later, his pains still with him, he came across an ad in the paper that described a wonderful patent medicine which seemed to be just the thing for his trouble. He bought a

of health insurance will have to be adopted.

The argument for insurance is that the cost of illness, like fire loss, is a risk against which a group of people can protect themselves if they contribute to a joint fund ahead of time. In one year only one person in 15 needs to go to the hospital and the big doctor bills go to only a small percentage of the total population. Yet no one can tell when he may happen to be the one who has to have an operation or pay for expensive treatment. It is practically impossible for anyone to plan how much he will spend on medical care during the coming year, just as it would be impossible for him to set aside each year a sum of money to take care of building a new house in case his present one should burn down. Along with a considerable number of other people, however, he can secure the protection of insurance in each case.

Already health insurance plans are in operation in many communities of the United States. The most common forms cover only hospital care and have been encouraged by the American College of Surgeons and other medical organizations. In New York City, for example, more than 225,000 persons are enrolled in a group hospitalization project. The fee is \$10 a year; an additional \$8 covers the subscriber's wife or husband, and \$6 more includes the entire family. This takes care of three weeks' hospital care in a semi-private room and includes most extras such as laboratory services, x-ray, and operating room fees. The attending physician or surgeon is largely the choice of the patient and his fees are separate.

One of the most complete of the voluntary cooperative plans is that of the Ross-Loos Medical Group in Los Angeles, California. There are 40 full-time physicians on the staff. The services include medical and surgical care, examination, house calls, and hospital treatment—all for \$2 a month per employed person. Extra charges for medicines, special visits, and the like average less than 70 cents a month. There are more than 20,000 subscribers, constituting with their families over 60,000 persons who belong to cooperative organizations which have contracts with the Group to furnish medical service. Other plans of this type are under way in a number of cities.

The second method of bringing proper medical and dental care within the reach of everyone is compulsory health insurance. This plan has been proposed by several organizations including the American Association for Social Security which has drawn up a suggested bill for the consideration of Congress. According to its provisions all workers earning less than \$60 a week would contribute to a plan which would supply medical services for the insured and his family and would pay cash benefits equal to about half his regular wages to the insured person during the periods sickness kept him from working. The patient would be permitted to

select any physician he might choose, and the charges would be handled by the local health organization. The payment of the cash benefits would be decided upon by a board of local officials, and the costs would be borne by the employee, the employer, and the government.

British System

Those who favor compulsory health insurance always point to the experience of Great Britain where a government-managed plan has been successfully operating since 1911. This plan includes care by a physician and cash benefits but no hospitalization or specialists' fees. All persons earning less than \$1,250 a year are required to become insured. The government pays

about one-fifth of the total cost, and the remainder is divided equally between the employee and the employer. Over 18,000,000 persons are insured in this manner and have the services of approximately 16,000 physicians.

The British Royal Health Commission has made a careful study of the work of their insurance scheme and has reported in its favor that: large numbers of people are now having medical care which formerly they did without; illness is being treated at an earlier stage; the physicians and the patients have been encouraged to make greater efforts toward preventing illness than ever before; the number of physicians in proportion to the population in the crowded and poorer sections where they are most needed has greatly increased. Whether the same system would operate as successfully in America is a question no one can answer. Some say that conditions in this country are so different from what they are in England that their plan would never work over here. Others tell us that our health problems are so nearly like those of the British that we could very easily put their system into effect in the United States. Still others think that the only way to know is to first try it on a small scale in some of the states.

There are, however, many people who cannot afford to pay the contributions which would be necessary under either a compulsory or a voluntary insurance plan. They look to the public for what medical attention they receive. In addition, some people argue, better health service for the entire nation can be provided through a system of medical care operated directly by the government than in any other way. Already about one-seventh of the nation's total bill for the prevention of disease and the care of the sick is paid out of local, state, and national taxes. The govern-

9 OUT OF 10 SCHOOL CHILDREN HAVE DECAYED TEETH OR OTHER DISEASES OF THE MOUTH



1 OUT OF 5 APPLICANTS FOR THE U.S. NAVY IN 1933-1934 WERE REJECTED BECAUSE OF BAD TEETH OR OTHER DISEASES OF THE MOUTH



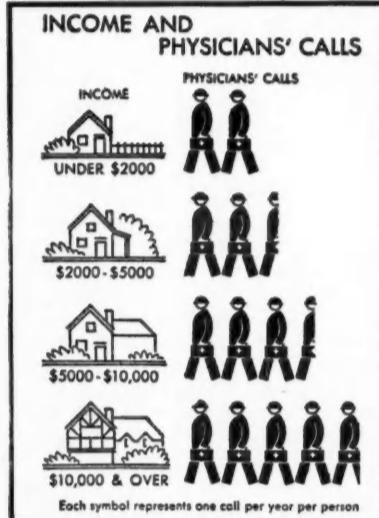
ment now operates 95 per cent of all the hospitals for nervous and mental cases; 75 per cent of the tuberculosis hospitals; and 33 per cent of the general hospitals. The work of public health departments has been steadily expanding, and almost everywhere includes the control of milk and water supplies, the prevention of epidemics, the examination of school children, and the treatment of charity cases. Most people approve of the services now being performed by the government. But the question is how far they should be extended.

Those who favor complete medical, dental, and hospital care at public expense say that a person's ability to pay should have nothing to do with the amount of attention he receives, that the greatest effort should be made to give the best possible care to everyone who needs it. They claim that under such a system much greater emphasis would be placed upon preventing illness; that patent medicines and quack treatments would tend to disappear; that specialization and cooperation between doctors would be furthered; that unemployment among nurses and doctors would be eliminated; that the relationship between physician and patient would be improved; and that the members of the medical profession would have greater security and more opportunity for research, further study, rest, and recreation than is now possible.

Opposition

Those who oppose complete public medical service argue that under such an arrangement those in authority would be inclined to emphasize the quantity and not the quality of the service given; that medical care would become such a mass production affair that the friendly personal relationship between a physician and his patients would be destroyed; that doctors would have their time so taken up with unimportant consultations that they could not give proper attention to the work of preventing illness; that the control of medical care would be placed in the hands of politicians and that scientific medical progress would be made difficult.

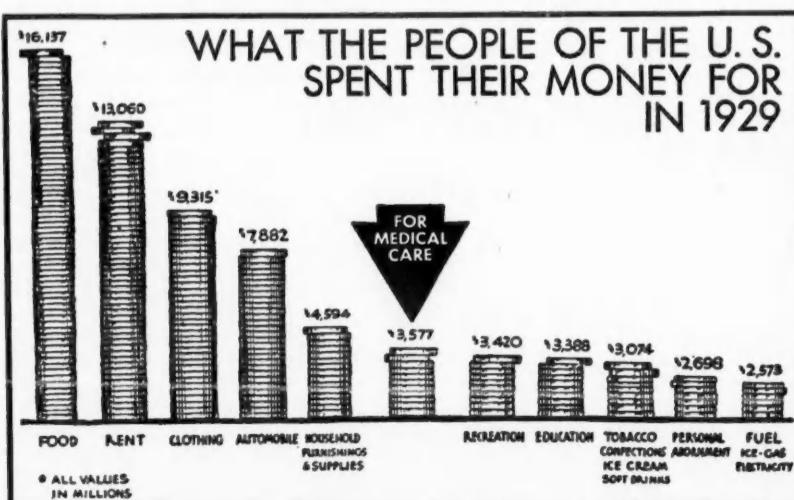
Many members of the medical profession object to public medicine for still other reasons. The American Medical Association has at various times attacked almost all plans for health insurance on the grounds that they are "socialistic and un-American." Only recently has the Association itself come out in favor of allowing hospitals to experiment with group hospitalization schemes. Many of the more highly paid physicians and specialists fear that under any type of state medicine their income would be reduced and that opportunities for independent research and the development of new methods of treatment would be made almost impossible. These fears underlie their opposition.



bottle and took the stuff night and morning for almost a week, but with no apparent benefit. At last he decided to see the family physician and was given some pills, a tonic, and instruction that he should not eat certain things for a while. He felt better almost immediately, but within a week he had to go to bed. Now the doctor began coming every day, but finally he had to admit that this case had him puzzled. Specialists from the neighboring town were called in for advice, and in the end Mr. Brown had to be taken 100 miles to a big city hospital. There was an expensive operation, a long period of careful nursing, and a still longer period of recuperation at home before he was able to go back to work. Meanwhile, all the money in the bank had been used up, his pay check had stopped coming in, and the family was several hundred dollars in debt.

Insurance

That is an old story, we say; people have been having that same kind of bad luck as far back as anybody can remember. Many people, however, are beginning to ask if it is not much more than a question of bad luck and are trying to figure out a system which will enable everyone to have proper medical attention, whenever he needs it, and for little cost. The pamphlet which we mentioned above says that there are three ways and only three, of solving this problem, and each one means changing our present system of medical care. They are voluntary health insurance, compulsory insurance, and public medicine. It is claimed that all three can be applied in part and still allow the private practice of medicine to continue on a fee-for-service basis for those who want it and are able to pay the price. But this report insists that unless we provide free care for everyone who wants free care and pay the bills out of taxes, some form



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